



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
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HEAVY RAINFALL, PLUS RECORD HEAT, STIMULATES SURGE FOR NEED FOR INSURANCE PROTECTION

The heavy rainfall that claimed nearly 10 deaths while battering Eastern Visayas and Northern Mindanao, is a disturbing reminder of the importance of insurance protection against the worsening climate conditions.

Disturbingly, the rainfall that resulted in landslides and flash floods was generated by “just” a low pressure area (LPA), and not a tropical depression or typhoon.

The Insurance Commission (IC) reminds the public of warnings from international agencies such as the World Health Organization (WHO) and the United Nations (UN) that the climate conditions will only get worse.

The UN confirmed yesterday that 2016 was the hottest year on record, and that it marked the third consecutive year of a warming earth.

Last year’s extreme climate changes also caused massive socio-economic disruptions and losses worldwide.

“The one degree change means that the amount of disasters related to weather and hydrology have been increasing,” the UN said.

IC Commissioner Dennis B. Funa said that the natural and manmade disasters have and will continue to have a negative impact on the economic and social wellbeing of Filipinos.

“We can not stop worsening climate conditions, but we have tools to mitigate or reduce the risks,” he added.

There are over a hundred life and non-life insurance companies, as well as mutual benefit associations (MBAs), offering various types of protect, from the popular a P100-a-year in premiums to the more expensive or complex ones.

Insurance protection covers loss of life, injury, damage or loss of property, damage or loss to crops, among others.

Microinsurance amounts to just an average P25 for a three to four month period with claims worth P10,000, a large amount for an impoverished Filipino that may have lost all their belongings to flash floods or landslides.

Majority of microinsurance are offered by MBAs, which include cooperatives, credit unions, although a number of traditional life and non-life insurers have already joined the bandwagon.

Aside from MBAs, microinsurance can also be bought through rural banks, convenience stores, and even major pawnshops.

"Typhoon Yolanda brought record destruction to Leyte but the hundreds of thousands of pesos in insurance claims helped thousands of families get back to their feet faster," IC Commissioner Dennis Funa said.

There is insurance designed for crop damage or loss, from government and private insurers.

The Philippine Crop Insurance Corp. (PCIC) paid out claims to farmers worth P622 million for losses caused by typhoons Karen and Lawin.

As most local and international experts warned, among the many negative effects of climate change is record levels of rain and snow. Extreme weather conditions in the order of the day, they warned.

The Philippines ranked second among 15 countries that had the highest risk from natural disasters, of which 9 out of 15 countries are in the Asia-Pacific region.


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